

AMENDED IN ASSEMBLY MAY 26, 2000
AMENDED IN ASSEMBLY APRIL 13, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2612

**Introduced by Assembly Member Brewer
(Coauthor: Assembly Member Maldonado)**

February 25, 2000

An act to ~~amend Sections 401.10 and 6591.5 of, and to add Section 6902.5 to, and to add and repeal Section 401.11 of, the Revenue and Taxation Code,~~ relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2612, as amended, Brewer. Taxation: ~~pipeline assessment and interest.~~

~~Existing property tax law requires any property, not exempted from taxation by federal law or pursuant to the California Constitution, to be assessed at its full value. Existing law also establishes a rebuttable presumption of valuation at full value, provided certain conditions are met, for each tax year from the 1984–85 tax year to the 2000–01 tax year for intercounty pipeline rights-of-way on publicly or privately owned property.~~

~~This bill would extend the application of this rebuttable presumption to the 2010–11 tax year.~~

~~Property tax law specified, until January 1, 2000, certain procedures and requirements for refunds or payments of tax, as applicable, with respect to intercounty pipeline~~

~~right-of-way property that is subject to local assessment pursuant to a specified court decision.~~

~~This bill would reinstate these procedures and requirements to apply until January 1, 2010.~~

The Sales and Use Tax Law provides that interest is paid by taxpayers with respect to underpayments of tax at the modified adjusted rate, as defined by reference to a specified federal statute, and that interest is paid to taxpayers with respect to overpayments of tax as determined in accordance with a specified federal statute, which requires that the rate paid on overpayments be based on the rate of 13-week treasury bills, as specified.

This bill would *declare the Legislature's intent to delete the requirement that interest on overpayments be based on the rate of 13-week treasury bills and would instead require that interest on both underpayments and overpayments be determined in accordance with the specified federal statute, as modified.*

~~The Sales and Use Tax Law establishes procedures for the approval by the State Board of Equalization of refunds to persons required to file returns.~~

~~This bill would, except as otherwise specified, provide that any person filing a claim for a refund is entitled to a hearing before the board.~~

Vote: majority. Appropriation: no. Fiscal committee: yes *no*. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 401.10 of the Revenue and~~

2 *SECTION 1. It is the intent of the Legislature to do*
3 *both of the following:*

4 *(a) Eliminate the requirement that the rate of interest*
5 *accruing on overpayments of sales and use tax be based*
6 *on the rate of 13-week treasury bills issued by the federal*
7 *government.*

8 *(b) Require, subject to certain modifications, that the*
9 *rate of interest accruing on both overpayments and*
10 *underpayments of sales and use tax be determined in*
11 *accordance with the rate of interest determined under*

1 *Section 6621(a) (2) of the Internal Revenue Code for*
2 *underpayments of federal taxes.*
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5 **All matter omitted in this version of the**
6 **bill appears in the bill as amended in the**
7 **Assembly, April 13, 2000 (JR 11)**
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